IFPW FOCUS

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IFPW and the Pharmaceutical Environment Group (PEG) Release Joint Sustainable Healthcare Position Statement

(Source: An article by IFPW Staff)

In January of 2026, the International Federation of Pharmaceutical Wholesalers (IFPW) and the Pharmaceutical Environment Group (PEG) released a joint *Sustainable Healthcare Position Statement* establishing a unified framework to align greenhouse gas (GHG) reporting, data sharing, and decarbonization approaches across pharmaceutical manufacturers and wholesalers. The statement represents a coordinated effort to standardize sustainability expectations within the healthcare supply chain while strengthening resilience, transparency, and regulatory preparedness.

The initiative centers on harmonizing reporting practices in alignment with globally recognized frameworks, including the International Sustainability Standards Board (ISSB), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and regional requirements such as the Corporate Sustainability Reporting Directive (CSRD). For distributors, this alignment reduces duplicative reporting requests from multiple manufacturer partners and creates a pathway toward consistent, comparable disclosures across markets.

A core commitment of the statement is to set science-aligned climate targets consistent with limiting global warming to 1.5°C. Achieving this requires substantial improvements in Scope 1, 2, and particularly Scope 3 emissions data. The accompanying Roadmap to Data Accuracy outlines a shift from spend-based methodologies to primary data—especially in fuel usage, electricity consumption, refrigerants, waste, business travel, and upstream and downstream transport. For pharmaceutical distributors, transportation and logistics emissions represent the most material decarbonization lever. The framework prioritizes road freight data (fuel, weight, and distance) as an initial focus, signaling that operational efficiency, fleet transition strategies, and network optimization will become increasingly strategic differentiators.

Importantly, the position statement advances a two-way data exchange model. Rather than requiring broad sharing of sensitive primary data, companies are encouraged to align on agreed methodologies and validated GHG results. This approach protects commercial confidentiality while enabling more granular product-level footprint discussions between manufacturers and distributors. For distributors, this shifts sustainability from a compliance exercise to a value-added capability—supporting customer reporting needs, enabling lower-carbon distribution pathways, and strengthening preferred-partner positioning.

Supplier empowerment is another critical pillar. Environmental performance, including GHG intensity benchmarks

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- **The Boots Group** announced that *Ornella Barra* will retire from her role as the Company's CEO and will replace *Stefano Pessina* as Chairperson of the board of directors of The Boots Group. Mr. Pessina will continue as one of the board directors. Ms. Barra will also continue to oversee the Company's ESG agenda as Chairperson of *The Boots Group ESG Committee*. "For some time now, I have been considering transitioning to a less operational role. I concluded that this is the perfect moment and the right choice for me to best serve the Company moving forward. The Boots Group is in great shape, both financially and operationally, with Boots UK having grown market share for 19 consecutive quarters, and has strong leadership teams in place across of its businesses." *Anthony Hemmerdinger*, SVP and Managing Director of Boots UK, Ireland and Opticians will assume a wider range of responsibilities, including oversight over No. 7 Beauty Company and the assumption of all group-level functions, and will report to the Board of Directors.
- **Cardinal Health** reported Q2 2026 revenues of US$65.6

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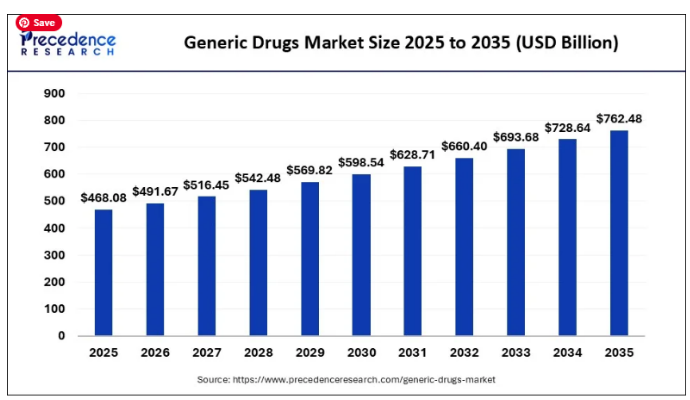
Global Generics Market to Increase to US$762.5 Billion by 2035

(Source: An article by Sandra Levy for Drug Store News)

The global generic pharmaceuticals market is projected to grow by approximately US$62.5 billion by 2035, reinforcing its role as a cornerstone of cost-effective healthcare delivery. The expansion reflects sustained demand for affordable medicines, ongoing patent expirations of branded drugs, demographic shifts, and increasing pressure from governments and payers to contain healthcare costs.

Generics already account for the majority of prescription volumes in many developed markets, particularly in the United States and Europe, and their share is expected to deepen further as healthcare systems prioritize access and budget efficiency. Emerging markets are also contributing materially to growth, driven by expanding healthcare infrastructure, rising middle-



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IFPW and PEG *(cont'd.)*...

for similar services, will increasingly inform supplier selection and evaluation. Distributors should anticipate greater scrutiny from manufacturer partners and institutional customers regarding emissions intensity, renewable energy adoption, warehouse efficiency, and transportation practices. Those that invest early in data systems, automation, AI-enabled route optimization, and potentially blockchain-supported traceability will be better positioned to meet evolving expectations.

Strategically, this joint statement signals a structural shift in how sustainability is governed across pharmaceutical distribution. It anticipates tighter regulatory oversight, investor scrutiny, and customer demands while seeking to minimize reporting burden through standardization and platform interoperability. Semi-annual collaboration through IFPW and PEG will monitor progress and refine best practices, reinforcing sector-wide momentum.

For pharmaceutical distributors, the implications are clear: sustainability performance will increasingly influence competitive positioning, contract negotiations, and capital access. Organizations that proactively enhance emissions transparency, operational efficiency, and science-aligned target setting will not only mitigate regulatory risk but also unlock strategic advantage in an industry where supply continuity and environmental responsibility are becoming inseparable priorities. *(For more information, please visit https://www.ifpw.com/sustainability/)*

Global Generics *(cont'd.)*...

class populations, and broader insurance coverage.

Key drivers include a robust pipeline of patent expirations across high-revenue therapeutic categories, increasing acceptance of biosimilars, and regulatory pathways that continue to mature in favor of generic competition. Additionally, supply chain localization initiatives and manufacturing investments in Asia-Pacific and Latin America are strengthening production capacity and improving distribution reach.

From a structural perspective, pricing pressure remains intense. Governments and payers are leveraging competitive tendering, reference pricing, and procurement reforms to lower acquisition costs. While this dynamic supports volume expansion, it also compresses margins across the value chain. Manufacturers are responding through portfolio optimization, consolidation, and operational efficiency initiatives, while distributors face parallel margin management challenges.

For pharmaceutical wholesalers and distributors, the projected generics growth presents both opportunity and strategic complexity.

Volume Growth and Scale Leverage: As generics represent high-volume, lower-cost products, distributors stand to benefit from increased throughput and network utilization. Optimized logistics, automated warehousing, and route efficiency will be critical to preserving margin in a high-volume, low-margin environment.

Working Capital and Inventory Strategy: Generics require disciplined inventory management due to rapid price erosion, competitive substitution, and tender cycles. Distributors must balance service levels with inventory risk, particularly as market entrants increase product competition. *Contracting and Customer Strategy:* Pharmacies, hospitals, and health systems are increasingly focused on generics sourcing agreements and private-label strategies. Distributors that can offer data-driven insights, reliable supply continuity, and competitive procurement programs will strengthen customer retention.

Supply Chain Resilience: Recent disruptions have heightened scrutiny on generics supply reliability. Wholesalers may face growing expectations to diversify sourcing, maintain buffer stock, and enhance transparency around origin and manufacturing continuity.

Biosimilar Expansion: As biosimilars gain traction, distributors will need specialized handling capabilities and education support for providers, positioning themselves as strategic partners in market adoption.

Overall, the projected US$62.5 billion expansion signals sustained structural importance for generics in global healthcare systems. While pricing pressure and regulatory oversight will remain defining features of the segment, distributors that prioritize operational efficiency, digital enablement, and strategic supplier partnerships are well positioned to convert market growth into durable competitive advantage.

In Brief (cont.)

billion, an increase of 19% year-over-year. Second quarter GAAP operating earnings increased 29% to US$707 million. "Our strong second-quarter performance reflects at least double-digit segment profit growth across all five of our operating segments," said *Jason Hollar*, the company's CEO. "Our ongoing momentum and the team's consistent execution against our strategic priorities gives us confidence to raise our fiscal 2026 outlook."

- **Sanofi** has named Merck KGaA leader *Belén Garijo, MD, PhD*, as its new CEO, replacing *Paul Hudson*. Garijo, who has been CEO of Germany-based Merck KGaA since May of 2021, will take over her new position on April 29, 2026. *Olivier Charmeil*, executive vice president of general medicines at Sanofi, will serve as interim CEO during the transition.
- *Steve Anderson*, President & CEO of the **National Association of Chain Drug Stores (NACDS)**, announced his retirement effective December 31, 2026. This will conclude 20 years of service marked by transformational leadership for the association and the pharmacy industry. *Rick Gates*, Chair of the NACDS Board of Directors and Senior Vice President and Chief Pharmacy Officer of **Walgreens**, praised Anderson's legacy of leadership and impact."Steve Anderson's leadership of NACDS over the past two decades has been extraordinary," Gates said.
- The **U.S. Administration** has launched *TrumpRx.com*. Patients will be able to access large discounts on many of the most popular and highest-priced medicines in the country, paying prices in line with the lowest paid by other developed nations. The launch features drugs made by the first five manufacturers to reach most-favored nation (MFN) pricing deals with the Trump Administration including **AstraZeneca, Eli Lilly, EMD Serono, Novo Nordisk** and **Pfizer**. Additional drugs from other companies that have signed MFN pricing deals will be made available on the website in the coming months.

(Sources: Company Press Releases, Drug Store News and FiercePharma)